

**Written Testimony of
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Introduction

Let me begin by stating that by no means am I an expert on the farm bill or ag policy. Nor do I have many years of full-time farming experience. However, I am both humbled and honored to have the opportunity to share some of my thoughts with you, members of the House Ag Committee, as you prepare to draft the next farm bill. My intention is to communicate my thoughts and opinions openly and honestly from the perspective of an independent and relatively young crop producer in rural Kansas.

A person's perspective is influenced by the environment that surrounds them, so it is important for you to know a bit about my environment. I grew up on the farm I now live on in eastern Saline County, which is in central to north-central KS. I attended Kansas State University and graduated in 2000 with a Bachelor's degree in Agronomy. I then worked for three years as an agronomist for a seed company covering areas of KS, NE, and MO. In 2003, I returned to my home community to farm full time with my dad and brother. Each of us has our own rented and owned ground, but we work together sharing labor, equipment, and ideas. I am fortunate to have a Father who is a good leader and a wise planner and a family who communicates and works well together. Our farm is all dryland, no-till crop production of alfalfa, wheat, grain sorghum, soybeans, and corn. I would estimate our farm size as about average for full time producers in our area.

I am proud to have chosen farming as my livelihood and rural KS as my home. I believe in community, investing in a place long-term, heritage, and the next generation of American producers. I believe this coming generation of producers, although perhaps limited in number, is optimistic, open-minded, and anticipates overcoming challenges in the current landscape of agriculture. In my written testimony, I will offer thoughts on why young people are or are not returning to rural America and farming, describe three distinct directions I believe family farms will have to choose, and share a few possible opportunities and threats I perceive for family farms on the Great Plains. Throughout, I will comment on how the farm bill can be of assistance. In preparing my testimony, I have thought a lot about my current situation and business as a young producer and have discussed these things with other young producers I know to gain their perspective as well.

Young People Returning to the Farm

Three Categories:

1. Those who desired to return to the farm and were able to.

Most young producers I know returning to the farm do so simply because of their passion for farming. They are not returning for financial reward, but for a lifestyle that they appreciate and desire. This group seems ready to overcome challenges with a willingness to try new things. I believe they will be quick to adopt new ideas and technologies that increase efficiency or profitability. They will utilize increased access to more information and make very informed decisions. They will be aware of what is happening in the world economy and how it affects their farm. They are competitive; yet recognize that in order to succeed there must be an overall spirit of unity and teamwork. Finally, I believe they will look to the US government and the farm bill not as much for subsidies, but for research funding, support for conservation efforts and new business ventures, and a basic safety net when factors outside of their control, such as severe weather events, bring economic disaster. Important programs include university and other research funding, CSP, rural development and small business grants and loans, and affordable and effective crop insurance.

2. Those who desired to return to the farm but were not able to.

We are all aware that US farm numbers continue to decline along with the number of young farmers. I have many friends who would love to farm but have not been able to find an opportunity to make it work. There are many factors making it difficult for young people to enter the business, but two that seem to commonly be at the root of the problem are limited access to land and capital. I would argue that limited access to land is more of a problem than limited access to capital. Lenders seem very willing to offer credit to young producers who have access to even a little bit of rented land as long as they present a good business plan. There are many farmers retiring and renting out or selling their land. Currently, I know of no incentive to do anything but rent or sell to the highest bidder, which is typically a large, well-established farm in the area. A program in the 2007 farm bill that effectively links new producers to those retiring and provides incentive to rent or sell land to those young producers would help bring more of these young people back to the farm.

3. Those who had good opportunity to return to the farm, but chose not to.

I believe this group is overlooked at times. Many of my peers in college grew up on very successful family farms, but did not choose to return to the farm. Granted, some just did not enjoy farming, which is fine. However, many enjoyed farming, but either they or their spouse desired a lifestyle that they could only find today in an urban setting. I certainly do not expect every opportunity that is available in the city to be available in smaller towns, but there is a lot of room for improvement. Things I hear that are important include new businesses and jobs, good education and health care, presence of young people, and arts and culture. We are losing many young farmers today because small towns in rural America are no longer providing the type of lifestyle they desire. The farm bill can improve this situation by expanding rural development initiatives. These young people are well educated and have a very entrepreneurial spirit. Grants and loans to new businesses and ventures that create unique value, art, and culture in counties

with declining population would be helpful in bringing more young people back to small communities.

Three Possible Directions for Today's Midwest Farms

All costs associated with farming continue to increase and prices for our commodity products continue to stay the same. This has been happening for years and continues to be one of the largest problems for farm profitability. There are more niche markets developing for locally produced, organic, or value-added products, but transitioning to these markets typically means large changes in a farming operation. I believe these market forces will drive today's medium size farms to one of three directions.

1. Part time farming combined with off farm income.

As profit margins per acre decrease, farms must either find new products to increase profit per acre or farm more acres. If neither is accomplished, income must be sought out elsewhere.

2. Small to medium size farms that produce value-added or differentiated products for niche markets.

I believe this is a growing market that many current family farms and young farmers will consider. The increasing consumer demand for products produced locally by family farms that utilize responsible management creates great potential for new jobs, businesses, and young people in rural small towns. It will be important for the farm bill to support these new creative business ventures.

3. Large farms that continue to increase in size.

Efficiency with economies of scale is the focus of these farms. Profit margins per acre continue to decrease, so the farm must continually cover more acres with the same amount of fixed costs to remain profitable. These farms will focus on quickly adopting new technologies to drive efficiency to new levels. Farm payment limitations may become an issue with these farms as they continue to increase in size.

Opportunities and Threats

Opportunities

Renewable Energy and Fuels

I perceive this as one of the largest opportunities for Great Plains agriculture. Even from my limited perspective, I sense more and more political pressure to move

away from fossil fuels produced in other countries to renewable energy sources produced in the heartland. The reasons to do this not only include responsible stewardship of the environment, but also national security, economic viability, and a public desire to end dependency on oil from the Middle East. The farm bill and other legislation will largely determine how these markets for renewable energy and fuel are met. An emphasis should be made on supporting farmer-owned cooperatives that will produce these products. It is important to continue funding new research on developing and further refining renewable energy and fuel so we can produce it cheaper and more efficiently than current methods. In the meantime, legislation should offer increasing incentive for industries to use renewable fuels such as biodiesel and ethanol.

Carbon

Related to renewable energy, Carbon consumption and emission is becoming an important issue. The US will someday need to become more responsible with the amount of Carbon it is contributing to the atmosphere. When public policy and/or the marketplace presents an incentive for industries that emit large amounts of Carbon to reduce or offset a percentage of their emissions, agriculture needs to be prepared to offset their emissions by storing it in our soils. CASMGS (The Consortium for Agricultural Soil Mitigation of Greenhouse Gases) has already vastly improved our knowledge of how Carbon is stored in the soil and is gaining more understanding on management practices that increase the amount of Carbon removed from the atmosphere and stored in the soil. It is important that funding for this research continues so farmers are prepared to implement management practices to store this Carbon. Furthermore, these management practices can be used in producing sources of renewable energy that not only consume less Carbon, but also offset industries with large Carbon emissions by storing it in the soil. This is a new market area where agriculture can provide value and therefore improve farm and rural economies.

Threats

Access to Land

As a young producer, I perceive the continual transition of farmland to urban development as a large threat. This is a complicated issue, but one that needs close monitoring. Recent decisions on uses of eminent domain add to this threat. A government entity should not be able to forcibly transfer property ownership from one private entity to another for the sake of economic gain.

Land prices in many agricultural areas are setting record highs, making it difficult for any producer, particularly a young one, to buy land. Most of the people buying land in our area are investors from the city, who buy for development, recreation, home sites, or just to have some land to call their own. I was fortunate to have an older neighbor in the community offer to sell their land to me, a young producer, rather than offer it up on the auction block for someone from town to buy. Not only did they sell it for less than what it may have brought at public auction, but they allowed me to make an installment

purchase, which made it much more feasible for me as a beginning farmer. This person recognized how difficult it has become for young farmers to access land and how important that first parcel of land is to their beginning business. Again, I feel the farm bill should support people that give opportunities such as these to young producers.

The CRP has become a threat for some young producers. CRP needs to focus on land not desirable for farming and payments need to be at a level where producers are not competing against the USDA for farm ground.

Energy Costs

The recent high energy costs have significantly impacted the profitability of producers in our area. Again, this is a complex issue, but I believe the farm bill can improve this negative scenario by offering incentives for investment in and use of renewable fuels and energy. How nice it would be to pull up to the gas pump and dispense and pay for a product produced by an American farmer rather than a huge international oil company that is recording record profits.

Conclusion

The farm bill is a large piece of legislation containing many programs that represent diverse interests. My objective was to share a few things I see on the horizon as a young producer and thoughts on how the next farm bill might help more young producers achieve their goals. The farm bill provides funding for new ideas and improved management, assistance in protecting our vital natural resources, development for the communities we live in, and a very important safety net when factors outside our control prove devastating to profitability. This safety net will be an important piece of the 2007 farm bill, along with increased emphasis on assistance to beginning farmers, support for new business ventures in small communities, research and funding for renewable energy and Carbon management, and protection of America's valuable acres of productive farmland.

Again, I thank you for taking time to travel and listen to a diverse group of people involved in agriculture across this country. We are blessed to have the opportunity to not only live in such a country, but to be involved in an industry with so much heritage, importance, and opportunity for the future.